

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO)	ORDINANCE NO. 04- 1049
CODE SECTION 5.02.060 RELATING TO THE)	
METRO SOLID WASTE CREDIT ACCOUNT)	Introduced by Chief Operating Officer
POLICY)	Michael J. Jordan, with the concurrence of
)	Council President David Bragdon

WHEREAS, Metro Code section 5.02.060 establishes credit account policy for Solid Waste disposal at Metro’s solid waste transfer stations, and

WHEREAS, clarification of the date upon which Metro will impose a past-due charge will benefit the customers of the Metro transfer stations, and

WHEREAS, updating the credit account policy to set a minimum finance charge will make Metro’s credit management and collections procedures more cost effective, and

WHEREAS, Metro’s credit account policy can be improved with the addition of provisions closing accounts for which payments are repeatedly late, and

WHEREAS, there is a need to improve efficiency and provide the Metro Council with relevant information, which can be accomplished with administrative procedures; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

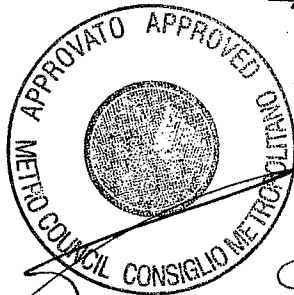
SECTION 1. Metro Code Section 5.02.060 is amended to read as follows:

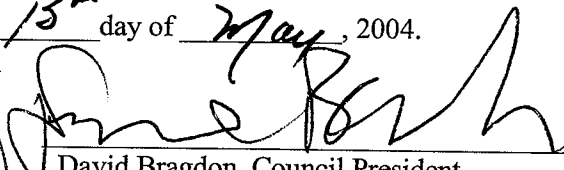
- (a) Disposal charges, including all fees and taxes, may be paid at the time of disposal in cash, by credit card, or by check, or may be paid under Metro’s credit policy. No credit shall be granted to any person prior to approval of a credit application in a form or forms provided by Metro.
- (b) Metro’s Chief Operating Officer shall establish and maintain appropriate account requirements for new and existing accounts, which requirements shall be designed to diminish Metro’s risk of loss due to nonpayment. Existing account holders may be required to make new application for credit or provide additional guarantees, as deemed necessary or prudent by Chief Operating Officer.
- (c) Account charges shall accrue on a monthly basis. Metro will mail statements on or about the 10th day of the month for disposal services rendered in the prior month. A statement must be paid no later than the last business day of the month in which it is mailed; the statement will be considered past due thereafter. A payment shall under no circumstances be considered received by Metro unless it is delivered personally to the Metro Department of Finance and Administrative Services during business hours or, if delivered by mail, received in Metro’s mail room on or before the due date.
- (d) A finance charge in the amount of the greater of \$25 or 1.5 percent of the sum of all past due charges shall be assessed on all unpaid, past due charges commencing as of the 15th day of the month following the month in which a statement is mailed, and continuing on the 15th day of each month thereafter until paid. Finance charges will be assessed only on unpaid past due balances, and not on previously assessed finance charges. Finance charges will continue to

be assessed on negotiated repayment schedules. Payments will be applied first to finance charges and then to the oldest amount past due. In addition to any other finance charge or fee, any account that has been forwarded to any collection agency for collection will also be charged a collection fee in the amount of 30% of the past-due balance owing at the time of collection.

- (e) An account that is 15 days past due, as defined in 5.02.060(c), may be placed on a cash only basis, until all past due disposal and finance charges are paid. An account that has been placed on a cash only basis more than twice during any 12-month period may be closed. Facility access may be denied to a person whose account is past due and unpaid for 30 days. A decision to place an account on a cash only basis or deny facility access shall be at the discretion of the ~~Director of the Department of Administrative Services~~ Chief Financial Officer
- (f) An account customer that sells, terminates, or makes a substantial change in the scope of its business after its application for credit has been approved must notify Metro immediately. Failure to provide the notice required by this subsection may result in termination of credit at Metro facilities pending reapplication for credit.
- (g) The Department of Finance and Administrative Services may adjust accounts receivable and reverse finance charges in accordance with prudent credit practices. Adjustments over \$500 \$1,000 shall be reported to the council in writing on a monthly basis, ~~and adjustments over \$10,000 shall require council approval.~~
- (h) The Chief Operating Officer may end pursuit of an account receivable, consistent with prudent credit practices, when the likelihood of collecting does not justify further collection costs. Such action shall be reported to the council in writing on a monthly basis when the amount exceeds \$500, \$1,000, and amounts over \$10,000 shall require council approval.

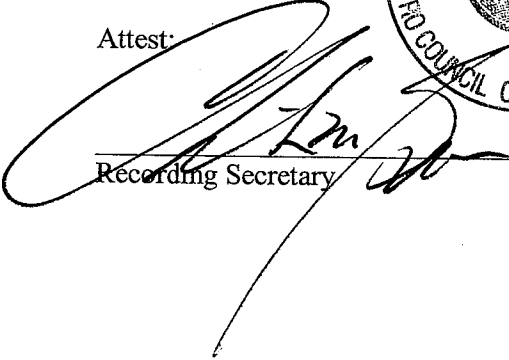
ADOPTED by the Metro Council this 13th day of May, 2004.

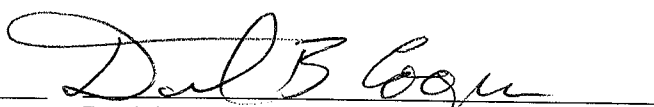



David Bragdon, Council President

Attest:

Approved as to Form:


Recording Secretary


Daniel B. Cooper, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 04-1049, FOR THE PURPOSE OF COUNCIL APPROVAL FOR AMENDING METRO CODE SECTION 5.02.060 RELATING TO THE METRO SOLID WASTE CREDIT ACCOUNT POLICY

Date: April 8, 2004

Prepared by: Bill Stringer

BACKGROUND

There is a need to update Metro's credit account policy to improve efficiency in the Finance Department and credit management and administrative procedures.

ANALYSIS/INFORMATION

1. **Known Opposition** None
2. **Legal Antecedents** Metro code section 5.02.060
3. **Anticipated Effects**
 - Clarification of the date upon which Metro will impose a past-due charge for customers
 - More cost effective credit management and collections procedure
 - Increased efficiency in Finance with improved credit management and administrative procedures
4. **Budget Impacts** No direct budget impact. Improvement of the credit management procedure might decrease number of collection accounts.

RECOMMENDED ACTION

Approve proposed amendment of Metro Code section 5.02.060.